

CITY OF ROSENBERG

REGULAR CITY COUNCIL MEETING MINUTES

On this the 18th day of October, 2016, the City Council of the City of Rosenberg, Fort Bend County, Texas, met in a Regular Session, in the Rosenberg City Hall Council Chamber, located at 2110 4th Street, Rosenberg, Texas.

Present: Cynthia A. McConathy, Mayor
William Benton, Councilor at Large, Position 1
Amanda J. Barta, Councilor at Large, Position 2
Jimmie J. Pena, Councilor, District 1
Alice Jozwiak, Councilor, District 3
Lynn Moses, Councilor, District 4

Absent: Susan Euton, Councilor, District 2

Staff Present: John Maresh, Interim City Manager
Scott M. Tschirhart, City Attorney
Linda Cernosek, City Secretary
Joyce Vasut, Executive Director of Administrative Services
Travis Tanner, Executive Director of Community Development
Rigo Calzoncin, Public Works Director
Ian Knox, Planning Administrator
Charles Kalkomey, City Engineer
Lori Remington, Human Resources Director
Tonya Palmer, Building Official
Isaac Badu, Director of Technology Systems
Tracie Dunn, Assistant Police Chief
Jeremy Heath, Assistant Economic Development Director
Jenny Pavlovich, Communications Manager
Danyel Swint, Executive Assistant
Justin Rodgers, Police Officer

Call to order: City Hall Council Chamber

Mayor McConathy called the meeting to order at 7:00 p.m.

Invocation and Pledge of Allegiance.

Mayor McConathy gave the invocation and led in the pledge of allegiance to the flag.

Announcements.

John Maresh, Interim City Manager, introduced Isaac Badu, the new Director of Technology Systems.

GENERAL COMMENTS FROM THE AUDIENCE.

Citizens who desire to address the City Council with comments of a general nature will be received at this time. Each speaker is limited to three (3) minutes. In accordance with the Texas Open Meetings Act, the City Council is restricted from discussing or taking action on items not listed on the agenda. It is our policy to have all speakers identify themselves by providing their name and residential address when making comments.

Speakers:

- **Claudine Vass, 10406 Shanley Trace Lane, Richmond:** Ms. Vass, on behalf of Fort Bend Pets for Life, thanked everyone for starting the process for positive change at the Rosenberg Animal Shelter. She recommended more time and effort be put into the adoption process and invited the Council to attend the tour of "Friends for Life" facility on Sunday, October 23, 2016.
- **Lorene Lindsey, 1713 Wimberly Hollow Lane, Rosenberg:** Ms. Lindsey also thanked the Council for the changes that have been started at the Animal Shelter, but had additional questions about the planned process of staffing the Shelter for the future.

COMMENTS FROM THE AUDIENCE FOR CONSENT AND REGULAR AGENDA ITEMS.

Citizens who desire to address the City Council with regard to matters on the Consent Agenda or Regular Agenda will be received at the time the item is considered. Each speaker is limited to three (3) minutes. Comments or discussion by the City Council Members will only be made at the time the agenda item is scheduled for consideration. It is our policy to have all speakers identify themselves by providing their name and residential address when making comments.

CONSENT AGENDA

1. **Review of Consent Agenda.**

All Consent Agenda items listed are considered to be routine by the City Council and may be enacted by one (1) motion. There will be no separate discussion of Consent Agenda items unless a City Council Member has requested that the item be discussed, in which case the item will be removed from the Consent Agenda and considered in its normal sequence on the Regular Agenda.

- A. **Consideration of and action on minutes of the Regular Meeting on September 06, 2016, the Regular Meeting on September 20, 2016, and the Workshop Meeting on September 27, 2016.**
- B. **Consideration of and action on Resolution No. R-2232, a Resolution authorizing the Mayor to execute, for and on behalf of the City, a Houston-Galveston Area Council (H-GAC) General Provisions Intergovernmental Agreement, by and between the City and H-GAC for participation in a Regional DWI Task Force from October 01, 2016, to September 30, 2017.**

EXECUTIVE SUMMARY

The Houston-Galveston Area Council (H-GAC) is acting as the administrator for the Texas Department of Transportation (TxDOT) Selective Traffic Enforcement Program (STEP) Grants. Approval of this Intergovernmental Agreement, attached as Exhibit "A" to Resolution No. R-2232, will allow the Rosenberg Police Department to participate in the DWI Task Force Program and receive overtime compensation reimbursement for officers working during selected holiday periods. The City of Rosenberg is eligible for up to \$4,500.00 in reimbursement.

Staff recommends approval of Resolution No. R-2232.

- C. **Consideration of action on Resolution No. R-2233, a Resolution approving and adopting a Hotel Occupancy Tax (HOT) Policy; and, regarding other matters related thereto.**

EXECUTIVE SUMMARY

At the City Council Workshop Meeting on September 27, 2016, staff presented a draft Hotel Occupancy Tax (HOT) Policy, which included guidelines for qualifying entities to apply for the use of HOT revenues and established an Evaluation Committee to review applications and award funds. Resolution No. R-2233 is being presented to allow City Council an opportunity to adopt the HOT Policy, attached as Exhibit "A" to said Resolution. Staff recommends approval of Resolution No. R-2233 as presented.

An item to consider appointments to the HOT Policy Evaluation Committee will be placed on the November 1st Agenda.

- G. **Consideration of and action on Ordinance No. 2016-32, an Ordinance amending the Code of Ordinances by amending Section 6-30 of Article II of Chapter 6 thereof providing for the adoption of the 2015 International Energy Conservation Code; providing a penalty; providing for severability; and providing an effective date.**

EXECUTIVE SUMMARY

As discussed at the September 27, 2016 City Council Workshop Meeting, the Texas Legislature has adopted H.B. 1736 which requires the adoption of the 2015 International Energy Conservation Code (IECC). Ordinance No. 2016-32 provides for the adoption of the 2015 IECC in the City of Rosenberg.

Staff recommends approval of Ordinance No. 2016-32 as presented.

ACTION

Motion by Councilor at Large, Position 1 William Benton, seconded by Councilor, District 3 Alice Jozwiak to approve Consent Agenda Items A, B, C, and G.

VOTE: 6 - 0 Carried - Unanimously

REGULAR AGENDA

2.A. *This item was formerly Item D on the Consent Agenda.*

Consideration of and action on a Final Plat of Hwy 36 Plaza, a subdivision of 3.3090 acres or 144,141 sq. ft. situated in the G.M. Stone 1/3 League, Abstract No. 312, City of Rosenberg, Fort Bend County, Texas; 2 reserves and 1 block.

EXECUTIVE SUMMARY

The Final Plat of Hwy 36 Plaza consists of 3.3090 acres consisting of two (2) restricted commercial reserves in one (1) block at the southeast intersection of State Highway 36 and J. Meyer Road.

At least one (1) of the restricted commercial reserves will be for the purposes of a gas station and convenience store development, while the use of the other proposed reserve is unknown, aside from being restricted to commercial use. This development will be dedicating necessary right-of-way to J. Meyer Road, which is identified as an arterial on the City's Thoroughfare Plan. The right-of-way will be dedicated by the Plat once approved and filed, similar to other developments affected by the Thoroughfare Plan.

The Planning Commission recommended approved of the Final Plat to City Council at the September 21, 2016 Planning Commission meeting. Seeing no conflicts with applicable regulations, staff recommends approval of the Final Plat of Hwy 36 Plaza.

KEY DISCUSSION POINTS

- Ian Knox read the Executive Summary.
- Councilor Barta asked about the land being cleared on J. Meyer Road as a potential convenience store and the proximity to the elementary school.
- Ian Knox stated there have been no Liquor License Applications received for this property as of this date.
- Mayor McConathy said the law states an establishment that sells liquor must be three hundred feet (300') from the front door to the school to legally sell alcohol.

ACTION

Motion by Councilor, District 4 Lynn Moses, seconded by Councilor at Large, Position 2 Amanda J. Barta to approve the Final Plat of Hwy 36 Plaza, a subdivision of 3.3090 acres or 144,141 sq. ft. situated in the G. M. Stone 1/3 League, Abstract No. 312, City of Rosenberg, Fort Bend County, Texas; 2 reserves and 1 block.

VOTE: 6 - 0 Carried - Unanimously

2.B. *This item was formerly Item E on the Consent Agenda.*

Consideration of and action on a Final Plat of Summer Lakes Section Five Partial Replat Number One, being a subdivision of 0.4837 of one acre out of the W. M. Lusk Survey, A-276, in the City of Rosenberg, in Fort Bend County, Texas. Also being a partial replat of Lots 1 and 2, Block 3, Summer Lakes Section Five, recorded at Plat No. 20130221 (Fort Bend County Municipal Utility District No. 144); 2 lots, 1 block and 1 reserve.

EXECUTIVE SUMMARY

The Final Plat of Summer Lakes Section Five Partial Replat Number One consists of 0.4837 acre containing 2 lots, 1 block and 1 reserve. The proposed replat is located in the Summer Lakes Subdivision at the intersection of Round Lake Drive and Summer Rose Lane.

The purpose of the proposed replat is to create a landscape and utility reserve along the rear of these two lots, consistent with the adjoining Sections Four and Seven. The original plat of Summer Lakes Section Five platted this area as an easement instead of a reserve.

The Planning Commission recommended approval of the Final Plat at the September 21, 2016 Planning Commission meeting. Seeing no conflicts with applicable regulations, staff recommends approval of the Final Plat of Summer Lakes Section Five Partial Replat Number One.

KEY DISCUSSION POINTS

- Ian Knox read the Executive Summary.
- Councilor Benton asked about the trees planned for this area.
- Ian Knox explained it is a utility reserve.
- There were no further questions.

ACTION

Motion by Councilor, District 4 Lynn Moses, seconded by Councilor at Large, Position 1 William Benton to approve a Final Plat of Summer Lakes Section Five Partial Replat Number One, being a subdivision of 0.4837 of one acre out of the W. M. Lusk Survey, A-276, in the City of Rosenberg, in Fort Bend County, Texas. Also being a partial replat of Lots 1 and 2, Block 3, Summer Lakes Section Five, recorded at Plat No. 20130221 (Fort Bend County Municipal Utility District No. 144); 2 lots, 1 block and 1 reserve.

VOTE: 6 - 0 Carried - Unanimously

2.C. This item was formerly Item F on the Consent Agenda.

Consideration of and action on Resolution No. R-2234, a Resolution authorizing the Interim City Manager to execute, for and on behalf of the City, a First Amendment to the Development Agreement by and between the City and Dry Creek (Houston) ASLI VII, LLC, a Delaware Limited Liability Company, in association with Fort Bend County Municipal Utility District No. 184 (Stonecreek Estates).

EXECUTIVE SUMMARY

A General/Land Plan has been submitted for Stonecreek Estates consisting of 502.5 acres of land, 1,311 residential lots, a future elementary school site, day care, parks and recreation, and other incidental uses. The 502.5-acre tract is bordered on the north by A. Meyers Road and on the east by Berdette Road. It is immediately south of Bridlewood Estates and east of Walnut Creek. Approximately 350 feet of the proposed General Plan will front on Ricefield Road, leading to an eventual point of access. The property is largely in the Extraterritorial Jurisdiction (ETJ), with the exception of the City Limits at the center of Dry Creek, and is located in Fort Bend County Municipal Utility District No. 184.

This is a revised General/Land Plan proposing to replace the original one that was approved by City Council on August 26, 2014. The changes from the original plan include the following:

- A change in traffic flow;
- A decrease in the total number of lots;
- A commitment to larger lot sizes than in the previously approved land plan, including some seventy-five foot (75') lots;
- Additional access in areas; and
- Relocation of the proposed elementary school.

Proposed changes are mostly minor in nature and are not in conflict with City ordinances.

Lots will range between sixty feet (60') and seventy-five feet (75') in width with no lots smaller than 7,200 square feet. The Plan proposes approximately eighteen (18) acres for an elementary school and day care site, and approximately ninety-six (96) acres for parks/open space and detention/drainage. The Plan also calls for 25.4 acres in improved parkland to be set aside (based on 1,311 lots) per City Ordinance.

There is an existing traffic impact analysis (TIA) that the City reviewed with the previous Land Plan that touches on the effects of the subdivision on the surrounding County roads. The development will result in the improvement of A. Meyers Road to a major thoroughfare with the developer constructing one-half of a boulevard section, and the County completing the other one-half per the accepted Development Agreement.

The proposed General/Land Plan complies with all applicable standards of the City of Rosenberg related to development in the ETJ. Staff recommends approval of Resolution No. R-2234 authorizing the First Amendment to the Stonecreek Estates Development Agreement.

KEY DISCUSSION POINTS

- Ian Knox read the Executive Summary.
- Councilor Benton stated he is pleased with the larger lots. He also asked about the trees planned for this area.
- City Attorney Scott Tschirhart stated because these are not in the City of Rosenberg's right-of-ways, the City's ordinance regarding trees will not apply to these areas.

ACTION

Motion by Councilor, District 3 Alice Jozwiak, seconded by Councilor at Large, Position 2 Amanda J. Barta to approve Resolution No. R-2234, a Resolution authorizing the Interim City Manager to execute, for and on behalf of the City, a First Amendment to the Development Agreement by and between the City and Dry Creek (Houston) ASLI VII, LLC, a Delaware Limited Liability Company, in association with Fort Bend County Municipal Utility District No. 184 (Stonecreek Estates).

VOTE: 6 - 0 Carried - Unanimously

2.D. This item was formerly Item H on the Consent Agenda.

Consideration of and action on Ordinance No. 2016-33, an Ordinance amending the Code of Ordinances by deleting Sections 29-246 through 29-260 of Division 2 of Article V of Chapter 29 thereof entitled "Reserved"; and, by adding a new Division 3 to Article V of Chapter 29 thereof entitled "Refunding of Existing and Future Indebtedness of Special Utility Districts"; establishing requirements regarding same; providing for severability; and providing for an effective date.

EXECUTIVE SUMMARY

Chapter 29, Division 2, Section 29-240 of the Code of Ordinances addresses the issuance of bonds by Municipal Utility Districts (Districts) for certain infrastructure needs. The Code fails to address the issuance of refunding bonds by such Districts. The proposed Ordinance as attached was presented at the September 27, 2016 City Council Workshop for discussion. The consensus of the City Council was to direct staff to move forward with the proposed Ordinance, therefore, the Ordinance No. 2016-33 is presented for City Council action. An executive summary of the Ordinance is also attached for review.

Ordinance No. 2016-33 provides the necessary guidelines, restrictions and approval process for the issuance of refunding bonds by Districts within the City and the Extraterritorial Jurisdiction (ETJ). Staff recommends approval of Ordinance No. 2016-33 as presented.

KEY DISCUSSION POINTS

- Joyce Vasut read the Executive Summary.
- Councilor Benton asked Joyce Vasut to restate the concerns the Council had to make amending this Ordinance necessary.
- Joyce Vasut said the Ordinance did not have detail to refinancing the debt. The guidelines were to clean up and clarify in the form of an ordinance, so that when Municipal Utility Districts (MUDs) approach the City for refinancing the bonds, the ordinance will provide an administrative way to review them.
- Councilor Benton asked for the consensus of the MUDs not meeting at a convenient time and location for the taxpayers in those Districts.
- City Attorney Scott Tschirhart said all but two of the MUDs are currently meeting in Fort Bend County and those two have been asked to change their meetings to a more convenient location for taxpayers. He further stated that whenever a MUD comes to the City for an amendment, the Council can request them to meet within the County and during a time when the residents can meet.
- Councilor Barta urged Council to schedule a future workshop to discuss the details of the City's MUD agreements and make them more restrictive for the MUDs coming into the City.
- Mayor McConathy suggested a direction for a template for new MUDs that come into our City and re-evaluate the guidelines of existing MUDs.

ACTION

Motion by Councilor at Large, Position 2 Amanda J. Barta, seconded by Councilor, District 3 Alice Jozwiak to approve Ordinance No. 2016-33, an Ordinance amending the Code of Ordinances by deleting Sections 29-246 through 29-260 of Division 2 of Article V of Chapter 29 thereof entitled "Reserved"; and, by adding a new Division 3 to Article V of Chapter 29 thereof entitled "Refunding of Existing and Future Indebtedness of Special Utility Districts"; establishing requirements regarding same; providing for severability; and providing for an effective date.

VOTE: 6 - 0 Carried - Unanimously

2. **Consideration of and action on the proposed cancellation of the November 22, 2016, and December 27, 2016 City Council Workshop Meetings.**

EXECUTIVE SUMMARY

Both the November 22, 2016, and the December 27, 2016, City Council Meeting Workshops are scheduled to occur during the holiday weeks. Traditionally, these workshop meetings are cancelled when close to the holidays.

It is recommended that the City Council consider cancelling both the November 22, 2016, and the December 27, 2016, City Council Workshop Meetings.

KEY DISCUSSION POINTS

- Linda Cernosek read the Executive Summary
- City Attorney Scott Tschirhart confirmed cancelling these two Workshops does not violate the City Charter.

ACTION

Motion by Councilor, District 1 Jimmie J. Pena, seconded by Councilor, District 4 Lynn Moses to cancel the November 22, 2016, and the December 27, 2016 City Council Workshop Meetings.

VOTE: 6 - 0 Carried - Unanimously

3. **Consideration of and action on Resolution No. R-2239, a Resolution authorizing acceptance of the Rosenberg Police Department's Grant Award from the U.S. Department of Justice Community Oriented Policing Services (COPS) Grant Program in the amount of \$500,000.00; and, authorizing the Interim City Manager to execute any and all necessary documentation regarding same.**

EXECUTIVE SUMMARY

On June 21, 2016, City Council approved Resolution No. R-2168 which authorized the Police Department to submit an application to the U.S. Department of Justice Community Oriented Policing Service (COPS) Grant Program.

The Grant award will provide funding to hire entry level, career law enforcement officers in order to preserve jobs, increase community policing and support crime prevention efforts. The Department would expand by hiring four (4) officers, assigning these officers to Homeowners' Associations and apartment communities, and incorporating assignments such as bike patrol to increase officer visibility.

The total federal contribution over a three-year period is \$500,000.00. The Grant award entails a three (3) year progression grant with the City's contribution increasing each year. The City is required to retain the officer

positions for a fourth year, with the City paying 100% of the cost. The City's four-year financial obligation for the four (4) positions is as follows:

- Year 1 = \$ 65,633.47
- Year 2 = \$ 87,511.29
- Year 3 = \$284,411.69
- Year 4 = \$330,502.16

Staff recommends approval of Resolution No. R-2239 as presented.

KEY DISCUSSION POINTS

- Assistant Chief of Police Tracie Dunn explained the grant's purpose is designed to build trust and transparency between the Community and Police Department.
- City Attorney Scott Tschirhart expressed his experience with this program design and believes this program, as it is now designed, will work as a partnership between the Officers and the Communities they serve and this will eliminate the barriers we have seen in the past.
- Tracie Dunn affirmed our City was awarded one of ten of these grants, and she is honored and proud of the staff that worked on pursuing this grant.
- Councilor Benton asked about the amount the City will match in this program.
- Tracie Dunn explained:
 - Year 1 = \$ 65,633.47
 - Year 2 = \$ 87,511.29
 - Year 3 = \$284,411.69
 - Year 4 = \$330,502.16
- Mayor McConathy stated these Officers are much like missionaries and they will assimilate into the Community, embrace and reach out to the Community to build trust, and tap into the heartbeat of the people they are serving.

ACTION

Motion by Councilor at Large, Position 2 Amanda J. Barta, seconded by Councilor, District 4 Lynn Moses to approve Resolution No. R-2239, a Resolution authorizing acceptance of the Rosenberg Police Department's Grant Award from the U.S. Department of Justice Community Oriented Policing Services (COPS) Grant Program in the amount of \$500,000.00; and, authorizing the Interim City Manager to execute any and all necessary documentation regarding same.

VOTE: 6 - 0 Carried - Unanimously

4. **Consideration of an action on Resolution No. R-2230, a Resolution awarding a bid for the purchase of one (1) loader/backhoe; and, authorizing the Interim City Manager to negotiate and execute, for and on behalf of the City, any necessary agreements and/or documents to facilitate said purchase.**

EXECUTIVE SUMMARY

The recently approved FY2017 Budget includes funding for the purchase of one (1) loader/backhoe for the Public Works Department. Staff has obtained pricing from vendors using the Houston-Galveston Area Council Cooperative Purchasing Program (H-GACBuy) as shown on the attached bid summary form. The lowest price was received from ASCO in the amount of \$107,903.36 for a Case model 580SN loader/backhoe with attachments. The FY2017 Budget allocated \$120,000 for this purchase.

Staff recommends that the purchase of the loader/backhoe with attachments from ASCO be approved and the Interim City Manager be authorized to execute the Purchase Agreement (Agreement) and any other documents necessary to facilitate said purchase. Should City Council approve Resolution No. R-2230 as recommended, the Proposal will serve as Exhibit "A" to the Resolution.

KEY DISCUSSION POINTS

- Rigo Calzoncin read the Executive Summary.
- Councilor Jozwiak asked if Rigo Calzoncin was satisfied with the model and price of the lowest bidder.
- Rigo Calzoncin affirmed his satisfaction with the equipment.

ACTION

Motion by Councilor at Large, Position 2 Amanda J. Barta, seconded by Councilor, District 3 Alice Jozwiak to approve Resolution No. R-2230, a Resolution awarding a bid for the purchase of one (1) loader/backhoe to ASCO in the amount of \$107,903.36 for a Case model 580SN loader/backhoe with attachments and, authorizing the Interim City Manager to negotiate and execute, for and on behalf of the City, any necessary agreements and/or documents to facilitate said purchase.

VOTE: 6 - 0 Carried - Unanimously

5. **Consideration of and action on Resolution No. R-2231, a Resolution awarding a bid for the purchase of a six (6) to eight (8) yard dump truck; and, authorizing the Interim City Manager to negotiate and execute, for and on behalf of the City, any necessary agreements and/or documents to facilitate said purchase.**

EXECUTIVE SUMMARY

Staff has received and reviewed a proposal from Freightliner of Austin for the purchase of one (1) six (6) to eight (8) cubic yard dump truck. Staff is recommending the purchase of the dump truck with a conventional chassis from Freightliner of Austin located in Austin, Texas, through the Buy Board Cooperative Purchasing Program Contract #430-13. The cost of the dump truck with the conventional chassis is \$87,690.00, plus a \$400.00 Buy Board administrative fee for a total cost of \$88,090.00. Funding in the amount of \$96,900.00 was allocated for this purchase in the FY2017 Budget.

Staff recommends approval of Resolution No. R-2231, a Resolution awarding a bid for the purchase of a six (6) to eight (8) cubic yard dump truck with the conventional chassis to Freightliner of Austin, and authorizing the Interim City Manager to negotiate and execute appropriate documents and/or agreements regarding same.

KEY DISCUSSION POINTS

- Rigo Calzoncin read the Executive Summary.
- There were no questions on this item.

ACTION

Motion by Councilor, District 4 Lynn Moses, seconded by Councilor at Large, Position 1 William Benton to approve Resolution No. R-2231, a Resolution awarding a bid for the purchase of a six (6) to eight (8) yard dump truck to Freightliner of Austin in the amount of \$88,090.00; and, authorizing the Interim City Manager to negotiate and execute, for and on behalf of the City, any necessary agreements and/or documents to facilitate said purchase.

VOTE: 6 - 0 Carried - Unanimously

6. **Consideration of and action on Resolution No. R-2236, a Resolution authorizing the Mayor to execute, for and on behalf of the City, an Interim Wastewater Treatment Services Agreement, by and between the City and Fort Bend County Municipal Utility District No. 184 (Stonecreek Estates).**

EXECUTIVE SUMMARY

Fort Bend County Municipal Utility District No. 184 (Stonecreek Estates) (MUD No. 184) is proceeding with the development of lots, including the construction of water and sanitary sewer utility infrastructure. The infrastructure also includes the construction of an on-site wastewater treatment package plant. To date, approximately 28 residential homes are under various stages of construction, or have been finished, while the wastewater treatment package plant has not yet been completed.

The proposed Interim Wastewater Treatment Services Agreement (Agreement) would allow MUD No. 184 to load the untreated wastewater from the sanitary sewer collection system into vacuum trucks where it would then be trucked and off-loaded for treatment at the City of Rosenberg's Wastewater Treatment Plant No. 2, located at 3650 N. Fairgrounds Road. This process would continue until such time construction of the on-site wastewater treatment package plant is completed and sufficient amounts of wastewater are being generated to keep the plant operational. The Agreement provides procedures and requirements that MUD No. 184 will have to follow; including provisions to protect the City's wastewater treatment plant from discharging waste that would interfere with the processes. The Agreement also establishes the fee to treat the wastewater at two (2) times the rate established for customers located within the City. The Agreement initial term would remain in effect until MUD No. 184's plant is operational, or December 31, 2017, whichever is earlier. After the initial term ends on December 31, 2017, the Agreement would renew on a month-to-month basis, only if MUD No. 184's plant is not complete, operational, and able to accept wastewater. The Agreement also contains provisions that would allow the City to suspend the acceptance of wastewater, or terminate the Agreement under certain conditions such as failure to pay for the treatment services, or the wastewater upsets, or interferes with the City's treatment plant. The Agreement has been reviewed by the City Attorney.

Staff recommends approval of Resolution No. R-2236 as presented.

KEY DISCUSSION POINTS

- John Maresh read the Executive Summary.
- Councilor Benton asked why the Subdivision would not just use the City's wastewater system.
- John Maresh explained they do use our potable water system, but moving the wastewater out of the ETJ into the City is costly, so it is more economical to use their own treatment Wastewater Treatment facility.
- Councilor Jozwiak commented this will bring revenue into the City.
- John Maresh explained this type of month-to-month agreement to the use of our Wastewater Treatment Plant is not unusual.

ACTION

Motion by Councilor, District 4 Lynn Moses, seconded by Councilor at Large, Position 2 Amanda J. Barta to approve Resolution No. R-2236, a Resolution authorizing the Mayor to execute, for and on behalf of the City, an Interim Wastewater Treatment Services Agreement, by and between the City and Fort Bend County Municipal Utility District No. 184.

VOTE: 6 - 0 Carried - Unanimously

7. **Consideration of and action on Ordinance No. 2016-35, an Ordinance authorizing the issuance of City of Rosenberg, Texas, General Obligation Refunding Bonds, Series 2016, in one or more series; authorizing a pricing officer to approve the amount, the interest rates, price, redemption provisions and terms thereof and certain other procedures and provisions related thereto; and containing other matters related thereto.**

EXECUTIVE SUMMARY

Refunding opportunities are available for the City to take advantage of current interest rates. The City could benefit from interest savings by refunding \$8,035,000 in outstanding Certificates of Obligation, Series 2006 and Series 2007 and General Obligation Bonds, Series 2007. The total refunding bond issue would not exceed \$8,035,000.

The Ordinance sets forth the procedures for the finalization of the sale and delivery of the proceeds to the City as summarized in the attached proposed refunding schedule. Joe Morrow, the City's Financial Advisor with First Southwest Company, as well as Marcus Deitz with Orrick, Herrington & Sutcliffe LLP, representing the City as Bond Counsel, will be present at the meeting to review the details of the anticipated sale.

The attached Ordinance names the Finance Director or the City Manager as the pricing officer, and requires that the refunding result in a net present value savings of at least five percent (5%) of the Refunded Obligations. The preliminary calculations indicate a savings of nearly twelve percent (12%). Additionally, the date of the latest maturity of the Refunding Bonds is not later than the date of the latest scheduled maturity of the Refunded Bonds.

It is recommended that City Council approve Ordinance No. 2016-35 as presented.

KEY DISCUSSION POINTS

- Joyce Vasut read the Executive Summary.
- Joe Morrow, the City's Financial Advisor with First Southwest Company, as well as Marcus Deitz with Orrick, Herrington & Sutcliffe, LLP, were present to answer any questions from the Council.
- Councilor Moses asked if we were refinancing for a better interest rate, and if there is a bracket that is important to stay within.
- Joe Morrow explained these bonds are approaching the call date of March 2017. The rules of the US Treasury require this within 90 days of the call date. He said the savings is about 12%, or \$100,000 per year, with a net savings of \$1,000,000.
- Councilor Moses asked what the cost of issuance for refinancing the bonds would be.
- Joe Morrow said the fees would be approximately \$100,000 net costs, and rolled into the total cost of the bonds.
- Councilor Benton asked what the fees from the financial advisory companies would be.
- Joe Morrow answered the cost would be about \$35,000 which would pay for Bond Counsel, producing and printing the documents, and bond rating fees.
- Councilor Benton asked why the City would choose to refinance rather than pay off some of the bonds.
- Joe Morrow explained that it would be wise to use the cash reserves for engineering for Capital Projects and issue debt only for the construction phase of projects rather than paying off the bonds.
- Joyce Vasut explained that some of these Certificate of Obligation bonds are supported by Water and Wastewater revenue. She also explained the City is required to keep 20% of the general fund in reserves and that amount would be about \$6,000,000.
- Mayor McConathy summed up the discussion of two perspectives on spending; one of which is borrowing money and incur debt for a period of time, or pay off debt and put some projects on hold. She also said sometimes the City borrows to improve the rating for borrowing.

ACTION

Motion by Councilor, District 1 Jimmie J. Pena, seconded by Councilor at Large, Position 2 Amanda J. Barta to approve Ordinance No. 2016-35, an Ordinance authorizing the issuance of City of Rosenberg, Texas, General Obligation Refunding Bonds, Series 2016, in one or more series; authorizing a pricing officer to approve the amount, the interest rates, price, redemption provisions and terms thereof and certain other procedures and provisions related thereto; and containing other matters related thereto.

VOTE: 5 - 1 Carried

No: Councilor at Large, Position 1 William Benton

8. **Hold Executive Session to consult with City Attorney to seek or receive advice on legal matters regarding pending or contemplated litigation regarding pending condemnation matters related to Bryan/Spacek Road Expansion Project pursuant to Section 551.071 of the Texas Government Code; and, to deliberate the potential purchase, exchange, lease or value of real property pursuant to Texas Government Code Section 551.072.**

ACTION

Motion by Councilor, District 4 Lynn Moses, seconded by Councilor, District 3 Alice Jozwiak to adjourn to Executive Session at 8:11 p.m.

VOTE: 6 - 0 Carried - Unanimously

9. **Adjourn Executive Session, reconvene Regular Session, and take action as necessary as a result of Executive Session.**

Mayor McConathy adjourned Executive Session and reconvened into Regular Session at 8:26 p.m.

10. **Adjournment.**

There being no further business, Mayor McConathy adjourned the meeting at 8:26 p.m.


Linda Cernosek, TRMC, City Secretary